

March 10, 2003

MAINE PUBLIC SERVICE COMPANY  
Request for Exemption of Chapter 304

NOTICE OF PROCEEDING

---

## I. DESCRIPTION OF PROCEEDING

On February 21, 2003, Maine Public Service Company (MPS or Company) filed an application with the Commission requesting that the Commission exempt MPS from the provisions of Chapter 304 in connection with its subsidiary, Energy Atlantic, LLC (Energy Atlantic or EA). EA is a Competitive Electricity Provider (CEP) licensed to sell retail generation services in Maine pursuant to the provisions of 35-A M.R.S.A. § 3203.

Given MPS's status as a transmission and distribution utility, the MPS/EA relationship is governed by the provisions of Chapter 304 of the Commission's rules. The relationship between MPS and EA has been further defined in *Maine Public Service Company, Request for Approval of Reorganizations and Exemptions and for Affiliated Interest Transaction Approvals*, Docket No. 98-138 (Sept. 2, 1998) and *WPS Energy Service, Inc., Complaint Requesting Commission Action to Amend or Alter Commission Order of September 2, 1998 and Determine Whether Maine Public Service Co. and/or Energy Atlantic has Violated the Requirement of the Order or the Provisions of Chapter 301, 304 or 322*, Docket No. 2000-894, Order Approving Revised Stipulation (April 28, 2002).

On February 21, 2003, MPS announced that as of March 1, 2003 EA would discontinue marketing electricity in MPS's service territory. While it would honor existing contracts, no later than February, 2004, EA will have discontinued providing electricity service in MPS's service territory. According to MPS, EA will retain its CEP license to do business in the state, and may continue to sell generation services in areas other than MPS's service territory.

MPS argues that in light of EA's decision to terminate its operations in MPS's service territory, the prohibitions and protections of Chapter 304 as further defined by the Commission Orders in Docket Nos. 98-138 and 2000-84, are no longer necessary or relevant to govern EA's current relationship with MPS. As such, MPS seeks a waiver of the requirements of Chapter 304 effective immediately.

## II. INTERVENTION

Interested persons wishing to participate in this matter as a party should file a petition for intervention in accordance with the provisions of Section 722 of the Commission's Rules of Practice and procedure no later than **March 20, 2003**.

Objections to petitions to intervene will be considered at the case conference scheduled below.

### III. INITIAL CASE CONFERENCE

An initial case conference in this matter to consider petitions to intervene in this matter, to discuss likely issues in this case and to develop a schedule for the processing of this case has been scheduled for **March 25, 2003** at 3:00 p.m.

### IV. SERVICE OF NOTICE

A copy of this notice shall be sent to the service lists in Docket Nos. 98-138 and 2000-894.

Dated at Augusta, Maine, this 10<sup>th</sup> day of March, 2003.

BY ORDER OF THE HEARING EXAMINER

---

Charles Cohen